

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

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COMMISSION

2
3 In the Matter of)

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4)
5 MUR 7033)

DISMISSAL AND

6 Crane for Congress)

CASE CLOSURE UNDER THE

7 and J. Matthew Watson, as treasurer)

ENFORCEMENT PRIORITY

8 Michael Robert Crane)

SYSTEM

CELA

9)
10)
11)
12 **GENERAL COUNSEL'S REPORT**

13 Under the Enforcement Priority System, the Commission uses formal scoring criteria as a
14 basis to allocate its resources and decide which matters to pursue. These criteria include, without
15 limitation, an assessment of the following factors: (1) the gravity of the alleged violation, taking into
16 account both the type of activity and the amount in violation; (2) the apparent impact the alleged
17 violation may have had on the electoral process; (3) the complexity of the legal issues raised in the
18 matter; and (4) recent trends in potential violations of the Federal Election Campaign Act of 1971, as
19 amended (the "Act"), and developments of the law. It is the Commission's policy that pursuing
20 relatively low-rated matters on the Enforcement docket warrants the exercise of its prosecutorial
21 discretion to dismiss cases under certain circumstances.

22 The Office of General Counsel has scored MUR 7033 as a low-rated matter and has
23 determined that it should not be referred to the Alternative Dispute Resolution Office.¹ For the
24 reasons set forth below, the Office of General Counsel recommends that the Commission dismiss the
25 allegations that Crane for Congress and J. Matthew Watson, in his official capacity as treasurer, (the
26 "Committee")², and Michael Robert Crane violated the Act or Commission regulations.

¹ The EPS rating information is as follows:
was filed by the Respondents.

Complaint Filed: March 30, 2016. No Response

² Crane for Congress was the principal campaign committee in 2016 for Michael Robert Crane, a candidate for the U.S. House of Representatives in the Third Congressional District of Georgia in 2016. Crane lost in the primary runoff election on July 26, 2016. The Committee was first established in 2010.

1 The Complaint alleges that Michael Robert Crane announced his candidacy for the U.S.
2 House of Representatives on January 20, 2016, and began actively campaigning at that time with
3 signs, cards and paid advertising. Compl. at 1. The Complaint asserts that the \$5,220 fee Crane paid
4 on March 7, 2016, to qualify as a federal candidate in Georgia, was sufficient to trigger candidate
5 status and registration requirements, but that Crane had not filed a Statement of Candidacy or
6 designated a principal campaign committee as required under the Act.³ *Id.* Neither Crane nor the
7 Committee filed a Response to the Complaint.

8 A person becomes a candidate when, *inter alia*, he or she has received contributions or made
9 expenditures aggregating in excess of \$5,000.⁴ Once a person crosses the \$5,000 candidacy
10 threshold, he or she must file a Statement of Candidacy form within fifteen days of becoming a
11 candidate, and must also designate a political committee to serve as the candidate's principal
12 campaign committee on that form.⁵ The designated principal campaign committee is required to file
13 a Statement of Organization within ten days of designation or report any change in information
14 previously submitted on its Statement of Organization within ten days of the change.⁶

15 Reports filed with Commission show that Michael Robert Crane filed a Statement of
16 Candidacy for the 2016 election on April 12, 2016, and the Committee filed a Statement of
17 Organization on the same day.⁷ The Committee's disclosure reports indicate that the Committee

³ The Complaint was filed on March 30, 2016. Disclosure reports show that the Crane campaign filed a Statement of Candidacy and Statement of Organization on April 12, 2016.

⁴ 52 U.S.C. § 30101(2)(A); 11 C.F.R. § 100.3(a)(1), (2). Ballot access fees count toward the "in excess of \$5,000 in expenditures" threshold for "candidate" status under section 52 U.S.C. § 30101(2). *See* First Gen. Counsel's Rpt. at note 2, MUR 6513/Pre-MUR 517 (Cynthia Rodriguez Matthews); *see also* First Gen. Counsel's Rpt. at 4, MURs 6374 and 6408 (Roly Arrojo for Congress); *see also* First Gen. Counsel's Rpt. at 7-8, MUR 6315(Alvin M. Greene).

⁵ 52 U.S.C. § 30102(e)(1); 11 C.F.R. § 101.1(a).

⁶ 52 U.S.C. § 30103(a), (c).

⁷ Both of the forms (Form 2 Statement of Candidacy and Form 1 Statement of Organization) were dated February 2, 2016, but for unknown reasons were not mailed to the Commission until April 12, 2016.

1 likely crossed the \$5,000 contribution threshold for filing a Statement of Candidacy no later than
2 February 7, 2016.⁸ Based on that date, Crane should have filed his Statement of Candidacy by
3 February 22, 2016, and the Committee should have filed a Statement of Organization by March 3,
4 2016. Therefore, Crane filed his Statement of Candidacy at least fifty days late and the Committee
5 filed its Statement of Organization at least forty days late.

6 Even so, these late filings did not cause the Committee to file an untimely 2016 April
7 Quarterly Report, which was the first report due after Crane passed the candidate threshold. Thus, in
8 furtherance of the Commission's priorities relative to other matters pending on the Enforcement
9 docket, the Office of General Counsel recommends that the Commission exercise its prosecutorial
10 discretion and dismiss the allegations pursuant to *Heckler v. Chaney*, 470 U.S. 821, 831-32 (1985).
11 Additionally, this Office recommends that the Commission remind Michael Robert Crane of the
12 requirements under 52 U.S.C. § 30102(e)(1) and 11 C.F.R. § 101.1(a), concerning the timely filing
13 of a Statement of Candidacy and designation of a principal campaign committee, and remind the
14 Committee of the requirements under 52 U.S.C. § 30103(a) and (c), concerning the timely filing of a
15 Statement of Organization. We also recommend that the Commission approve the attached Factual
16 and Legal Analysis, close the file as to all respondents, and send the appropriate reminder letters.

⁸ The Committee's disclosure reports indicate that, notwithstanding the receipt of unitemized contributions, the Committee likely crossed the \$5,000 contributions threshold and triggered the Statement of Candidacy filing requirement no later than February 7, 2016. See Crane for Congress 2016 April Quarterly Report at 8, filed April 13, 2016. As such, when Crane filed a Statement of Candidacy for the 2016 election on April 12, 2016, it was at least fifty days late. While the Complaint alleges that Crane paid a \$5,220 state fee on March 7, 2016, it offers no documentation, and the Committee's disclosure reports do not show a \$5,220 expenditure on that date. The Committee's 2016 April Quarterly shows a \$250 "registration fee" paid to the "GA Secretary of State" on March 8, 2016 (see Crane for Congress 2016 April Quarterly at 34).

RECOMMENDATIONS

1. Dismiss the allegations that Crane for Congress and J. Matthew Watson, in his official capacity as treasurer, and Michael Robert Crane, violated the Act and Commission regulations, pursuant to the Commission's prosecutorial discretion under *Heckler v. Chaney*, 470 U.S. 821 (1985);
2. Remind Michael Robert Crane of the requirements under 52 U.S.C. § 30102(e)(1) and 11 C.F.R. § 101.1(a), concerning the timely filing of a Statement of Candidacy and designation of a principal campaign committee;
3. Remind Crane for Congress and J. Matthew Watson, in his official capacity as treasurer, of the requirements under 52 U.S.C. § 30103(a) and (c), concerning the timely filing of a Statement of Organization;
4. Approve the attached Factual and Legal Analysis and the appropriate letters; and
5. Close the file as to all respondents.

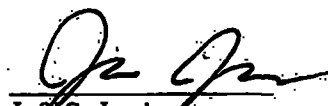
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